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World Production and Trade

United States
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Roundup

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

DENMARK's total grain production in 1984 is estimated at a record 9.3 million tons, 46 percent above last year's drought-reduced crop, according to the U.S. agricultural counselor in Copenhagen. The rise in production is attributed primarily to near-ideal weather conditions for winter and spring grains, and improvements in farm management practices and new seed varieties. Wheat production in 1984 is estimated at a record 2.4 million tons, 58 percent above last year, while total coarse grain production is estimated at 6.8 million tons, up 42 percent from 1983.

The counselor's preliminary forecast is that area sown to wheat production for 1985 harvest is expected to rise by 14 percent, while coarse grain area is projected to fall by 7 percent. Total grain area is expected to decline slightly. Approximately 5-10 percent of the 1985 winter wheat area, planted in the fall of 1984, was sown to higher yielding feed varieties, which are expected to yield about a ton per hectare more than the traditional varieties grown in Denmark.

OILSEEDS AND PRODUCTS

A sharp increase in PERU's fish catch, good cottonseed output and declining consumption are expected to result in lower imports of vegetable oils and protein meals during 1985. While Argentina has been the major supplier of soybean oil since early 1984 because of its low prices, U.S. soybean meal has recently become competitive with Bolivian meal in spite of its import duty preference. USDA estimates of Peruvian soybean meal and oil 1984/85 imports are estimated at 40,000 and 45,000 tons, respectively.

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FRANCE is pressing hard to have the Egyptian ban on rapeseed oil consumption removed and consequently open the market to French imports. A seminar was recently held in Cairo to educate Egyptian government and industry officials on the merits of rapeseed oil. The French are arguing strongly that the recent awarding of GRAS (Generally Regarded as Safe) status to low-erucic acid rapeseed oil by the U.S. Food and Drug Administration should remove any remaining doubts about the safety of this product for human consumption.

DAIRY, LIVESTOCK AND POULTRY

Meat production in SELECTED COUNTRIES during 1984 totaled 121.4 million tons, about 1 percent above 1983. Gains were realized for all meats except sheep and goat. Poultry output increased 2 percent, reflecting continued growth in the United States and the Soviet Union. Beef output increased 1 percent due primarily to increases in the European Community (EC), the United States and Argentina. Pork production increased only marginally in 1984 as larger output in Eastern Europe, the Soviet Union and the EC offset a reduction in the United States. Current forecasts indicate that in 1985, growth in meat production again will be small as limited gains in consumer incomes in many countries keep the demand for meat generally weak.

Meat Production in Selected Countries

	1983	1984 1/	1985 2/
	-----Million Tons-----		
Beef and Veal	41.2	41.8	41.7
Pork	50.9	51.1	51.6
Sheep and Goat	4.6	4.5	4.7
Total Red Meat 3/	96.6	97.5	98.0
Poultry Meat	23.5	23.9	24.9
Total Meat 3/	120.1	121.4	122.9

1/ Estimated. 2/ Forecast. 3/ Totals may not add due to rounding.

WORLD beef production increased slightly during 1984 as cattle inventories dropped 1.6 million head, primarily due to reduction in U.S. and EC cattle herds. World beef and veal production in 1985 is forecast at about the same level as in 1984.

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U.S. cattle numbers fell almost 4 million head in 1984 to the lowest level since 1968. Poor returns for cow-calf operators, forage problems in some areas and the poor financial condition of the farm sector contributed to this decline in cattle inventory. Beef production is forecast to decline in 1985 as a result of lower cow and non-fed steer and heifer slaughter.

In the EC, cattle numbers decreased by 1.6 million head during 1984 because of increased herd culling in response to the five-year milk quota program. Beef production was up 8 percent in 1984 to a new record. For this year, a slight decrease in output is forecast as the number of dairy cows decline.

In the Soviet Union, feed shortages caused herd growth and beef production expansion to slow in the last quarter of 1984. Feed shortages at the beginning of 1985 could result in lower slaughter weights in the first half of the year.

Herd rebuilding in Australia has begun and is likely to continue provided rainfall reaches normal levels. From November 1984 to mid-February 1985, rainfall was well below average in major east coast livestock areas.

Cattle and Buffalo Numbers and Beef Production 1/

	Beginning Cattle Inventory			Beef and Veal Production		
	1983	1984	1985 2/	1983	1984 2/	1985 3/
	-----Million Head-----			} -----Million Tons-----		
United States	115.0	113.7	109.8	10.7	10.9	10.6
Canada	11.6	11.4	11.0	1.0	1.0	1.0
EC-10	78.8	79.5	77.9	6.8	7.4	7.2
East Europe	37.1	37.8	37.9	2.5	2.5	2.5
Soviet Union	117.2	119.6	120.8	7.0	7.1	7.2
Argentina	58.0	58.6	58.8	2.4	2.6	2.7
Uruguay	10.3	9.5	9.9	0.4	0.3	0.3
Australia	22.5	21.8	22.5	1.4	1.2	1.3
New Zealand	7.9	7.6	7.9	0.5	0.5	0.5
Total of						
50 countries	943.7	946.6	945.0	41.2	41.8	41.7

1/ Includes buffalo numbers and meat production. 2/ Estimate. 3/ Forecast.

WORLD pork production increased marginally in 1984 and is projected to be up in 1985 as higher production in the EC, USSR and China is expected to more than offset a reduction in U.S. production. The U.S. hog inventory was reduced in 1984 and this is expected to result in further decreases in pork output in 1985.

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Hog numbers in China expanded in 1984. Expansion of pork production in 1985 is expected because of improved feeding efficiency and increased free market hog sales at higher prices.

EC hog numbers declined slightly during 1984 largely because of a sharp drop in French hog numbers. Hog inventories in all EC countries may expand this year as hog prices have improved in the past several months.

In Eastern Europe, improved feed supplies in all countries except Yugoslavia were the major reason for the increase in pork production last year. Pork production in Yugoslavia was up sharply in 1984 because of herd culling due to reduced feed supplies and poor export prospects.

Hog Numbers and Pork Production

	Beginning Hog Inventory			Pork Production		
	1983	1984	1985 1/	1983	1984 1/	1985 2/
	----Million Head----			----Million Tons----		
United States	54.5	56.7	54.0	6.9	6.7	6.5
Canada	10.1	10.7	10.8	0.9	0.9	0.9
EC-10	79.2	79.4	79.1	9.7	9.8	9.9
East Europe	70.7	73.3	74.0	6.6	6.8	6.9
Soviet Union	76.7	78.7	77.8	5.8	5.9	6.1
China	300.8	298.5	300.0	13.2	13.3	13.6
Total of 36 Countries	700.9	704.2	703.1	50.9	51.1	51.6

1/ Estimated. 2/ Forecast.

WORLD sheep and goat meat production declined slightly in 1984 because of herd rebuilding in Australia and dry weather problems in the Soviet Union. Production in 1985 is projected to increase based primarily on expected higher slaughter in Australia, where herd building is expected to be slow.

Sheep Numbers and Sheep and Goat Meat Production

	Beginning Sheep Numbers			Sheep and Goat Meat Production		
	1983	1984	1985 1/	1983	1984 1/	1985 2/
	----Million Head----			---Thousand Tons----		
Soviet Union	142.2	145.3	142.4	837	825	800
Australia	133.2	138.6	144.0	453	436	521
New Zealand	70.3	70.3	70.3	651	636	681
Total of 29 Countries	664.2	674.5	674.6	4,574	4,537	4,657

1/ Estimated. 2/ Forecast.

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WORLD poultry meat production in 1984 was up only 2 percent as lagging demand and high feed prices curbed output in a number of countries. Production is forecast to expand 4 percent in 1985 as the United States experiences strong growth, Brazil and the EC recover from last year's downturn and steady growth continues in the USSR.

WORLD egg production is forecast to increase only about 1 percent in 1985, about the same as in 1984, as many countries continue to experience low profit margins. U.S. production is expected to expand about 2 percent as past higher egg prices have stimulated output. EC production is expected to remain essentially unchanged for the second consecutive year. Growth in the USSR is expected to approximate 1 percent, the same as in 1984.

Poultry Meat and Egg Production

Country	Total Poultry Meat			Eggs		
	1983	1984 1/	1985 2/	1983	1984 1/	1985 2/
	----Thousand Tons----			-----Billion Units----		
United States	7,192	7,449	7,944	67.9	68.5	70.0
Brazil	1,580	1,450	1,520	9.0	8.5	9.0
EC-10	4,293	4,275	4,350	70.6	70.8	70.7
Spain	813	800	813	12.2	11.1	11.5
Hungary	390	360	360	4.5	4.5	4.5
Soviet Union	2,596	2,675	2,800	75.1	76.0	76.8
Total includes 45 countries	23,462	23,937	24,924	344.6	346.7	350.5

1/ Estimated. 2/ Forecast.

WORLD broiler meat production in 1985 is forecast at 17.1 million tons, up 4- to 5-percent from 1984. Lower feed prices and relatively favorable broiler prices appear likely to stimulate a 6- to 7-percent increase in U.S. broiler production compared with a 5-percent increase in 1984. After three years of stable production, Canadian broiler output grew over 7 percent in 1984 due to stronger demand from the fast food industry.

Broiler production in Brazil in 1984 was down due to stagnant demand and reduced exports. Some recovery is likely in 1985, although broiler production is forecast to be below the level of two years ago.

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With smaller export markets, EC broiler production held steady in 1984 and is expected to grow only 1-2 percent in 1985. Broiler production in France declined further in 1984, but with stronger broiler prices late in the year, output this year should increase slightly.

Spain's 1984 broiler production was down slightly but improved prices should stimulate a production increase in 1985. After some recovery in 1984, little growth is expected in Poland as current broiler prices are too low to allow profitable production.

Stable to weaker 1984 feed prices and steady demand for poultry meat encouraged Japanese broiler producers to expand output. Japan's broiler production was up 7 percent in 1984 but is forecast to rise only 2-3 percent this year as broiler prices are weaker.

World turkey meat production is forecast at 2.3 million tons in 1985, about 5 percent above the 1984 level. U.S. production in 1985 is expected to expand 6-8 percent as a result of higher 1984 turkey prices and lower feed costs. European production is forecast to stay essentially the same as production in France and Italy, the two largest producers, is not expected to expand significantly.

Broiler and Turkey Meat Production

Country	Broilers			Turkeys		
	1983	1984 1/	1985 2/	1983	1984 1/	1985 2/
	-----Thousand Tons-----			-----Thousand Tons-----		
United States	5,625	5,896	6,288	1,195	1,199	1,286
Brazil	1,490	1,360	1,430	NA	NA	NA
EC-10	2,899	2,900	2,951	723	725	734
Spain	748	735	760	16	17	18
Hungary	288	250	270	NA	NA	NA
Soviet Union	800	850	900	49	50	51
Total 3/	15,922	16,332	17,070	2,210	2,214	2,320

1/ Estimated. 2/ Forecast. 3/ Includes 31 countries for broilers and 19 countries for turkeys.

COTTON AND FIBERS

In the UNITED STATES, January cotton exports increased substantially, reaching 835,600 bales, the highest monthly level this season. Exports during the first half of the 1984-85 season totaled 3.1 million bales, 8 percent above the same period of 1983-84 and the largest August-January period since 1979-80. The largest gains made this season have been in Europe. Exports to Asia lagged earlier in the season, but surpassed year-earlier levels in January. The cumulative export value to date is \$1.2 billion. Total 1984-85 season exports are forecast at 6.5 million bales.

FRUITS AND NUTS

MEXICO's 1984/85 citrus production is estimated at 1.6 million tons, down 22 percent from last season and 28 percent below 1982/83. The decline in production in 1984/85 is attributed to the residual effects of the freeze in December 1983, which severely damaged fruit and trees in the northern citrus belt, and to prolonged hot, dry weather in the southern belt. Citrus production in the northeastern state of Nuevo Leon is expected to total about 5,000 tons, compared with a 440,000-ton harvest in 1981/82. Approximately 40 percent of the state's citrus trees were destroyed in the 1983 freeze. Citrus estimates by fruit type are as follows 1,000 tons:

Fruit Type	1982/83	Revised 1983/84	Forecast 1984/85
Oranges	1,380	1,220	865
Tangerines	110	110	60
Grapefruit	100	85	55
Lemons	3	3	3
Limes	620	600	600
Total citrus	2,213	2,018	1,583

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Selected International Prices

Item	March 5, 1985	Change from previous week	A year ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.9/	180.50	4.91	-4.00
U.S. No. 2 DNS/NS: 14%....	180.00	4.90	0
U.S. No. 2 S.R.W.	158.00	4.30	+5.50
U.S. No. 3 H.A.D.....9/	178.50	4.86	-1.00
Canadian No. 1 A: Durum.9/	189.50	5.16	-3.50
Feed grains:			
U.S. No. 3 Yellow Corn....	133.00	3.38	+2.50
Soybeans and meal:			
U.S. No. 2 Yellow.....	233.00	6.34	+1.00
Brazil 47/48% SoyaPellets 4/	153.50	--	+10.50
U.S. 44% Soybean Meal....	147.50	--	+8.50
U.S. FARM PRICES 3/			
Wheat.....	121.98	3.32	-1.10
Barley.....	75.33	1.64	-4.59
Corn.....	103.15	2.62	+1.97
Sorghum.....	91.93	4.17 2/	-.88
Broilers 4/.....	1109.80	--	+6.61
EC IMPORT LEVIES			
Wheat 5/.....	45.40	1.24	+3.10
Barley.....	48.10	1.05	+2.90
Corn.....	44.95	1.14	+2.60
Sorghum.....	59.60	1.51	+16.25
Broilers 4/ 6/ 8/.....	N.Q.	--	0
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	132.20	3.60	+3.30
Bread wheat (min. quality)7/	140.65	3.83	+3.30
Barley and all other feed grains.....	132.20	--	+3.30
Broilers 4/ 6/.....	N.Q.	--	0
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	14.70	.40	+2.10
Barley.....	27.75	.60	+1.15
Broilers 4/ 6/ 8/.....	N.Q.	--	0

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.